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BY MESSENGER AND FILED ON CM/EFC SYSTEM

*NOT ADMITTED TO THE NEW YORK BAR

The Honorable James M. Peck
United States Bankruptcy Judge
United States Bankruptcy Court
One Bowling Green
New York, New York 10004

In re Lehman Brothers Holdings Inc., et al., Case. No. 08-13555

Dear Judge Peck:

We represent Citibank, N.A. and related affiliates ("Citi") in the above-captioned chapter 11 cases. We write concerning the discovery dispute between Lehman Brothers Holdings Inc. ("LBHI"), Lehman Brothers Special Finance Inc., and other LBHI affiliates (collectively, the "Debtors") and Nomura International plc, Nomura Securities Co., Ltd., and Nomura Global Financial Products, Inc. (collectively, "Nomura"), as described in an exchange of letters publicly filed in the Debtors' chapter 11 cases on September 27, 28, and 29. [Chapter 11 D.I. 20306, 20348, 20380, 20498]

As explained in those filings, Nomura seeks discovery of information in the Debtors' possession concerning how other counterparties terminated and valued derivatives transactions with the Debtors. According to Nomura, Lehman has declined to produce the requested information, despite the relevance of that information to the Debtors' challenge to the commercial reasonableness of Nomura's derivatives valuations.

Citi has an interest in the outcome of this discovery dispute because it has filed derivatives claims against the Debtors with an aggregate value of approximately \$2 billion.

PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP

The Honorable James M. Peck

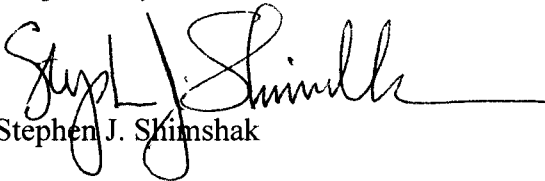
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Citi maintains that its derivatives valuations are commercially reasonable and has not agreed to settle its claims using valuations produced by the Debtors' "Derivatives Framework." Inasmuch as the Debtors have indicated their intention to challenge the derivatives claims of those "Big Banks" that have not accepted the "Derivatives Framework," Citi expects that the Debtors will likely challenge Citi's valuations in a future claims objection or adversary proceeding.

For the reasons set forth at pages 10-13 of Nomura's draft memorandum of law in support of its proposed motion to compel, Citi submits that the Debtors should be required to produce documents in the Debtors' possession reflecting how other counterparties terminated and valued derivatives similar to those that the Debtors challenge.

In light of the important precedent that a ruling on Nomura's motion to compel production may set, Citi respectfully requests the opportunity to present its views in any conference or hearing concerning this matter.

Respectfully submitted,



Stephen J. Shimshak

cc: Claudia Hammerman
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